GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:366
ANSWERED ON:28.02.2008
PRICING POLICY OF PSUS FOR NON APM PRODUCTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the pricing policy followed by the PSU oil companies in respect of non-Administered Price Mechanism (APM) products; and

(b) the landed cost of imports and PSUs selling price for kerosene supply for industrial applications?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)to(b) The retail selling prices of non-sensitive petroleum products are being fixed on commercial terms mainly based on import parity pricing principles by the Public Sector Oil Marketing Companies. However, in the case of low volume Speciality Products, in addition to Import Parity, the cost of production and competitors' prices are also considered for price determination.
Currently, Kerosene is being imported to meet the deficit of PDS Kerosene supply requirements. The selling price for kerosene supplied to industrial applications is determined considering the notional Import Parity, based on the previous month's international prices for kerosene. For the month of February'08 the basic price of industrial SKO is Rs. 30,580/KL exclusive of freight duties and taxes.